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## Israel and the Middle East News Update

*Thursday, February 8*

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# News Excerpts

February 8, 2018

Ynet

## **Police Nearing Consensus to Recommend Indicting PM**

Israeli Police Commissioner Roni Alsheikh met with his organization's senior brass Wednesday evening to discuss providing recommendations on indictment in cases pending against Prime Minister Benjamin Netanyahu, with seeming consensus forming on recommending charging Netanyahu on the illicit gifts affair, as sufficient evidence exists to indict him for receiving bribes. The police did, however, appoint a team to examine "holes" still existing in the case, before a recommendation is made to the State Attorney's Office. Police sources said a recommendation may be made as early as next week.

See also, [\*"Opposition: Netanyahu 'acting like a criminal' in attack on police chief" \(Times of Israel\)\*](#)

Times of Israel

## **More Troops Sent to West Bank Following Uptick in Attacks**

The Israel Defense Forces on Wednesday said that it was deploying additional battalions to the West Bank as reinforcements, following a recent uptick in terror attacks that have taken place over the Green Line, as well as a manhunt for a terror suspect. The forces will operate primarily in the northern West Bank, where the primary points of friction have been, the army said. Several battalions will also be placed on stand-by. Hours earlier, clashes broke out between Palestinians and Israeli troops in the southern West Bank town of Halhul, as troops raided the home of the terrorist who stabbed a security guard in Gush Etzion's Karmeit Zzur settlement and then was shot dead.

Ha'aretz

## **Bill Would Divert PA Funding to Terrorist Families to Settlers**

The Ministerial Committee for Legislation will consider a bill on Sunday that would let the government reduce tax transfers to the Palestinian Authority by the amount the PA spends on payments to terrorists and their families. Israel collects various taxes on the PA's behalf and transfers the money to the PA on a monthly basis. The bill states that the government will be able to use any withheld funds for infrastructure work "for the benefit of residents of Judea and Samaria," as the West Bank is known in Hebrew.

Times of Israel

## **Greenblatt Blasts Abbas on Jerusalem Jewish Connection**

American Middle East envoy Jason Greenblatt on Thursday slammed Palestinian Authority President Mahmoud Abbas for failing to mention Judaism's connection to Jerusalem in a speech this week. "Pres. Abbas states about Jerusalem: 'it is Arab, Muslim, and Christian.' And makes no mention of any Jewish ties. Nothing peaceful or productive can come from statements like this," Greenblatt said in a series of tweets.

Ha'aretz

## **Gaza Health System Collapsing, Medicine Running Out**

At the end of January, Gaza's public health care system had run out of 206 essential medicines – that is 40 percent of medications included in the basic Palestinian health basket. A further 27 drugs – or 6 percent of the 516 medications in the basket – were about to be depleted within days or weeks. The unavailability of drugs has been overshadowed in the last year by the worsening electricity shortage, with a daily supply of only four to eight hours. Consequently, health facilities rely on generators and a supply of emergency fuel which, according to a UN warning last Monday, will be exhausted within the next week. A January report by the World Health Organization warns that 1,715 patients will be in immediate life-threatening situations if hospitals run out of fuel.

Reuters

## **Thousands of Gazans Jam Temporarily Open Egypt Border**

Thousands of Palestinian travelers gathered at Gaza's border crossing with Egypt on Thursday hoping for a brief chance to leave after Cairo temporarily opened a frontier it largely keeps closed as it battles an Islamist insurgency on the other side. Israel also maintains tight restrictions on its border with the Gaza Strip, meaning the 2 million Palestinians who live there are rarely able to leave the densely-populated enclave in which the Hamas Islamist movement is the dominant armed force. Egypt tends to open the frontier temporarily a few times a year, usually with short notice and little explanation. The latest opening began on Wednesday with no advanced announcement at all.

JTA

## **Saudi Arabia Denies Overflight Report**

Saudi Arabia is denying reports in Israel that it gave permission to use its airspace for flights between Israel and India. Israeli news outlets reported Wednesday that Saudi Arabia has granted Air India approval to operate direct flights from Delhi to Tel Aviv using its airspace. Flying through Saudi airspace would knock more than two hours off the time of the flight. Saudi airspace is closed to any airline that flies to Israel.. Permission for the Air India route could be the first public expression of the warming of ties between Israel and the Saudis.

Associated Press

## **Israeli Court Rejects Appeals in Murder of Palestinian Teen**

Israel's Supreme Court has rejected appeals filed by three Israelis convicted in a high-profile murder of a Palestinian teenager in 2014. Yosef Haim Ben David and two underage accomplices were convicted in 2016 of abducting 16-year-old Mohammed Abu Khdeir and burning him to death. Ben David had appealed the sentence, pleading insanity. Ben David and his accomplices said the killing was in revenge for three Israeli teens abducted earlier that summer and killed by Palestinians allied with the Islamic militant group Hamas. The incidents helped propel Israel to war in Gaza.

## **Will the Palestinian Authority Dump the Shekel?**

By Shlomi Eldar, Columnist, AI Monitor

- In April 2017, Palestinian President Mahmoud Abbas announced that he was severing ties between the West Bank territory under his control and the Gaza Strip, which Hamas controlled. Now, senior Palestinian Authority (PA) officials have told AI-Monitor that Abbas is preparing to disengage from Israel. The first indication of his intentions became evident in a Feb. 6 PA announcement that it has tasked a committee with formulating operational plans for severing ties with Israel in various spheres, including replacing the Israeli shekel with another currency. The economic sphere is, indeed, crucial to the continued rule of the PA and even more so to the lives of the Palestinians in the West Bank. Under the 1993 Israeli-Palestinian Oslo Accords and the 1995 Cairo Agreement, the Palestinian economy is inexorably linked with the Israeli economy in virtually every respect: currency, infrastructure, land and air passage, employment of Palestinian laborers in Israel and more. Israel also imposes value added tax and customs tariffs on goods for the PA arriving through Israeli ports and transfers the funds to the Palestinians. These taxes come to hundreds of millions of dollars annually, and Israel uses their transfer on occasion to exert pressure on the PA or to punish it.
- The Feb. 6 announcement said that an option is being examined to issue an independent Palestinian currency or to use some other currency in place of the shekel. In the past, trade on the West Bank was primarily conducted using the Jordanian dinar, which was considered a strong and stable currency. The economic crisis in the neighboring Hashemite kingdom in recent years has led, however, to a decline of the dinar and the widespread use of the shekel, including for paying PA employees' salaries in the West Bank and Gaza. The panel set up to examine the currency issue is unlikely to recommend a shift from the stable Israeli shekel to the Jordanian currency given the vicissitudes of the kingdom's economy and its need for foreign aid. The PA would encounter additional insurmountable challenges given that the World Bank would be unlikely to approve such a request since the PA is not a sovereign state. The PA's desire to dump the Israeli shekel is not only a matter of extricating itself from agreements that bind its economy to Israel's. Palestinian and Israeli economic experts point to the difficulty of dealing with the growing strength of the shekel on the global financial market given that a strong shekel erodes the profitability of Palestinian exports.
- Avichai Snir of the Netanya Academic College and Infinity Investment Fund noted in an October 2017 article on the Hebrew-language Walla website that Israeli exporters, especially in the high-tech sector, are managing fine with the stronger shekel because their products are unique and in great demand. The relative advantage of Palestinian exporters, however, lies in cheaper production costs — in particular cheaper labor in the West Bank compared to in Israel — so the strong shekel has dealt them a fatal blow. Writing in "Middle East Economy," published by the Dayan Center at Tel Aviv University, Yitzhak Gal, an expert on the region's economic history, explains that the Palestinians' economic integration with Israel has created a cost-of-living

similar to Israel's, while their average pay is far lower than that of Israelis. According to Gal, this situation has created a major distortion that will be difficult to remedy without disengagement from the Israeli economy and embarking on an independent economic course to the extent possible.

- Will the PA take the risk of issuing its own currency, with all the attendant monetary implications, and probably without international backing? Moreover, would such a currency have any value on global financial markets? A PA source told Al-Monitor that the Palestinians have wanted to sever ties with the Israeli economy for a decade, but the issue was always set aside pending resolution of the overall Israeli-Palestinian conflict. "Now that everything is clearly on the table, that the Oslo Accords are a thing of the past and there's no diplomatic process in the foreseeable future, the conclusion is that independent [economic] action is required," said the source, who spoke on the condition of anonymity. "The Oslo Accords were from the start interim agreements intended to lead to the establishment of a Palestinian state within five years from the White House signing [in September 1993]. It's been 25 years, and the PA is forced to operate, or actually to survive, under agreements most of which have become irrelevant and in some cases have even become an immense burden," said the source.
- Nonetheless, he added, the Palestinians fully understand the consequences, explaining, "A Palestinian currency that is not negotiable and is not accepted by banks or international corporations would result in a recession and inflation, which, in turn, would force Palestinian exporters and importers to flee to alternative currencies." According to a September 2016 report on the Palestinian economy compiled by the UN Conference on Trade and Development (UNCTAD), if the PA were freed of Israel's 50-year occupation, its economy would be twice its current size. The report's authors explain that the Palestinian economy is hobbled not only by its dependence on remittances from Palestinians working in Israel, but also on agricultural output. West Bank farmers have a hard time exporting their products given the limitations on their mobility imposed by Israeli roadblocks and other restrictions. Palestinian merchants encounter the same problems, with transportation and handling costs taking a hefty chunk out of their profits.
- Since the UNCTAD report's release, the situation has deteriorated, with the PA's economy weakened even further. It is therefore unclear why Abbas has chosen to examine economic disengagement from Israel at this time. Is he seeking to break Israel's chokehold, which he views as preventing an economic turnaround? Alternatively, is he acting out of despair and anger at Israel? An Israeli security source told Al-Monitor that Abbas' recent decisions have been hasty and with only one goal in mind — to convince the Palestinian people that he has answers to the grim situation in which he finds himself through no fault of his own. With an economy weak and crying out for help, however, the risk to the PA of economic disengagement is far greater than the economic fruit it might reap in the very distant future, if at all.

## Everyone is Going All the Way

By Thomas Friedman, Columnist, New York Times

- It is hard to spend a week in Israel and not come away feeling that Israelis have the wind at their backs. They've built an awesome high-tech industry, and everyone's kid seems to work for a start-up. Even Israeli Arabs have caught the bug — the number studying for B.A. degrees at Israeli universities rose 60 percent in the last seven years, to 47,000. Regionally, the Arabs and Palestinians have never been weaker, and under President Trump, Israel has never had a more unquestioningly friendly United States. Trump recognized Jerusalem as Israel's capital, asking Israel for nothing in return. The Arab states barely made a peep. Alas, though, all of this wind has whetted the appetite of Israel's settlers and ruling Likud Party to go to extremes. Reuters reported on Dec. 31 that the "Likud Party unanimously urged legislators in a nonbinding resolution ... to effectively annex Israeli settlements in the occupied West Bank, land that Palestinians want for a future state."
- Sure, the world would scream "apartheid," but Israeli rightists shrug that the world will get used to it. Nikki Haley will cover for Israel at the U.N. Sheldon Adelson will keep Trump and the G.O.P. in line. And the Arab regimes, which need Israel to counter Iran, will look the other way. It always plays out that way, and the settlers see that, so, they ask, why wait? They think they can annex the West Bank without giving Palestinians citizenship; they'll just let the Palestinians vote in their own elections. And then it popped into my head: I've seen this play before. It was May 17, 1983 — the day Israel, a year after invading Lebanon, signed a peace accord with Beirut. "Signed" isn't exactly right. Israel (backed by the U.S.) imposed virtually all its security demands on a weak Lebanese government, including a framework for normalizing trade and diplomacy.
- Back then, Israel also had a right-wing leader, Menachem Begin, embraced by a superfriendly President Ronald Reagan. Egypt had just signed a peace treaty and dropped out of the conflict, and another young Arab leader — Lebanese Christian warlord Bashir Gemayel — beckoned Israel to join him in crushing the Palestinians and remaking the Middle East together. My Washington Post Beirut colleague Jonathan Randal wrote a book about that moment, "Going All The Way: Christian Warlords, Israeli Adventurers and the War in Lebanon."
- I always loved that title — going all the way. It's a recurring theme out here, and it almost always ends with a "Thelma and Louise" moment — partners driving over a cliff — and so it did with Israel in 1983. Lebanese militias, led by Hezbollah, quickly emerged to resist the May 17 treaty. On March 5, 1984, only 10 months after it was signed, I wrote in this paper from Beirut: "Lebanon today formally canceled its troop withdrawal accord with Israel," marking "the end of the so-called 'Israeli era' in Lebanese politics and to shift Lebanon solidly back into the Syrian-Arab fold." It was nice while it lasted.

- Why do I tell this story? Because everywhere I look today I see people going all the way. I see Republicans trashing two of our most sacred institutions — the F.B.I. and the Justice Department — because these agencies won't bend to Trump's will. I see Iran controlling four Arab capitals: Damascus, Sana, Baghdad and Beirut. I see Hamas still more interested in building tunnels in Gaza to kill Israelis than schools to strengthen Palestinian society.
- I see the crown prince of Saudi Arabia with one hand undertaking hugely important steps — moderating Saudi Islam, letting women drive and opening Saudi society culturally to the world — things we never imagined possible — and, with the other hand, abducting the prime minister of Lebanon, buying ridiculously expensive paintings and seizing businesses in the name of combating corruption — things we also never imagined possible. I see the Taliban killing 103 people in Kabul by packing an ambulance with explosives and driving it into a crowd. I see Houthis, Yemeni warlords, Iranians, Saudis and the U.A.E. all tearing Yemen apart in the name of God knows what. I see Turkey's president silencing every critical journalist in his country. I see the Egyptian and Russian presidents eliminating all serious rivals in their upcoming elections. I see Bibi Netanyahu trying to derail a corruption investigation by weakening Israel's justice system, free media and civil society — just like Trump and for the same purposes: to weaken constraints on his arbitrary use of political power.
- I see an American president threatening to tear up, or actually tearing up, global agreements he doesn't like — the Iran nuclear deal, Nafta, the Trans-Pacific Partnership, the Paris climate accord and aid to Palestinians and Pakistanis — but without any clear plan or alternative for the morning after that will improve on the status quo. Worst of all, I see an America — the world's strongest guardian of truth, science and democratic norms — now led by a serial liar and norms destroyer, giving license to everyone else to ask, why can't I? Can anything stop this epidemic of going all the way? Yes: Mother Nature, human nature and markets. They'll all push back when no one else will.
- How so? Well, look at Gaza. Due largely to Hamas's malevolence and incompetence, but also some Israeli restrictions, Gaza has limited hours of electricity each day. Result: Gaza's already inadequate sewage plants are often offline, and waste goes untreated straight into the Mediterranean. Then the prevailing current washes Gaza's poop north, where it clogs Israel's big desalination plant in Ashkelon — which provides 15 percent of Israel's drinking water, explains EcoPeace Middle East, the environmental NGO. In both 2016 and 2017, the Ashkelon plant had to close to clean Gaza's crud out of its filters. It's Mother Nature's way of reminding both that if they try to go all the way, if they shun a healthy interdependence, she'll poison them both.
- Iran's military boss, Qasem Suleimani, thinks he's a big man on campus. His proxies control four Arab capitals. All bow down. But then out of nowhere Iranians back home start protesting against Suleimani's overreach; they're tired of seeing their money spent on Gaza and Syria — not on Iranians. And, just as suddenly, the biggest internet meme in Iran becomes an Iranian

woman ripping off her veil and holding it up on the end of a stick. And if you don't think markets have a way of curing excesses, you didn't read the top story in The Times.

- So to all of you going all the way, I say: Watch out for the market, Mother Nature and human nature. Because, noted Israeli political theorist Yaron Ezrahi, the first two are “uncontrollable and the other is irrepressible.” One is the relentless product of chemistry, biology and physics; one is the balance between greed and fear; and the third is the eternal human quest for freedom and dignity. In the end, they'll shape the future more than any leader or party who tries going all the way.